

Cooperative Marketing of Organic Produce and Animal Products Directly to Consumers

Location of Project: Mount Judea, Arkansas (Southern Region)

Purpose: A number of members of an Ozark growers association sought to combine the marketing and distribution efforts of a diverse mix of growers and producers. The product line included the sales of produce (fruit, vegetables, & mushrooms), meat, poultry (including eggs), beef, pork, and lamb. The group initiated the project by undertaking a feasibility study and demographic analysis designed to help them expand their market in the Little Rock area as well as sections of northwest Arkansas. They later decided to consider other areas as potential market opportunities.

Accomplishments: The greatest successes involved sales made directly to consumers and to high-end restaurants. Direct-to-consumer sales were achieved by working with an established Community Supported Agriculture operation (CSA). The results of the project indicated that a CSA could be started or even expanded to include all of the items produced by the growers' association and that if properly managed (i.e., able to supply enough products on a consistent

basis), could be potentially profitable to farm participants. A working relationship was also developed with the Heifer Project CSA program, which offered meat and poultry products to their members. The group coordinated deliveries of produce to CSA members in Conway and Little Rock twice a month to CSA members. This strategy worked well and appeared to be worthwhile; CSA members provided very positive feedback about the products they received.

Extensive research was conducted into refrigerated storage and routing options to determine the most economical methods for moving product between producers and buyers. Arrangements were made for producers with available storage to drop off and pick up product at certain delivery points over a period of several months.

A database was also created to track customers and prospects as well as billing and collections. By using the database, reports were generated to show product sales by customer, grower, route, and product. This process led to the evaluation of each route so they could determine its profitability and track how many product sales were necessary to break even with delivery costs.

Lessons Learned: There were many challenges faced with this project, but the most challenging and costly was the distribution of product to different retail establishments, namely restaurants. The logistics of distributing products from a centralized drop-off point to individual restaurant customers were difficult to coordinate and proved to be quite costly.

Conclusion: The results of this project support direct to consumer marketing and suggest that the best chance of success would likely be accepted with a CSA or buyer's clubs, where growers agree to pick-up merchandise from an agreed-upon collection point. Meat and poultry, combined with fruits, vegetables, garlic, herbs, fresh eggs, and perhaps fresh cut flowers, seem to offer the greatest potential for success.